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Part VIII
Common support services

Section 28B
Office of Programme Planning, Budget and Accounts

(Programme 24 of the biennial programme plan and priorities for the period 2006-2007)**

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* A summary of the approved programme budget will subsequently be issued as *Official Records of the General Assembly, Sixtieth Session, Supplement No. 6* (A/60/6/Add.1).

** *Official Records of the General Assembly, Fifty-ninth Session, Supplement No. 6* (A/59/6/Rev.1).

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Overview

28B.1 The Office of Programme Planning, Budget and Accounts is responsible for the implementation of the work programme under this section. The programme is guided by the Administrative and Budgetary (Fifth) Committee of the General Assembly and the Committee for Programme and Coordination. The responsibilities of the Office are detailed in Secretary-General's bulletin ST/SGB/2003/16.

28B.2 The activities programmed under this section fall within subprogramme 2, Programme planning, budget and accounts, of programme 24, Management and central support services, of the biennial programme plan for the period 2006-2007.

28B.3 The Office of Programme Planning, Budget and Accounts:

(a) Administers and ensures compliance with the Financial Regulations and Rules of the United Nations and the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation, and relevant legislative mandates;

(b) Establishes and applies the budgetary and accounting policies and procedures of the United Nations;

(c) Ensures sound financial management of all resources made available to the Organization, as well as their effective and efficient use, directly or through delegation of authority and/or instructions to other offices of the United Nations at Headquarters and overseas;

(d) Accounts for and reports to the appropriate authorities on the use made of United Nations financial resources;

(e) Facilitates intergovernmental deliberations by the General Assembly and decision-making on the issues of planning, programming, budgeting and accounts of the Organization;

(f) Implements and operates the financial components of the Integrated Management Information System (IMIS), in particular by providing specifications for changes and conducting user acceptance tests, support of the departments and offices with delegated administrative authority and the monitoring of the operations of the system.

28B.4 The Office of Programme Planning, Budget and Accounts carries out its activities in cooperation with other departments and offices of the Secretariat and, as appropriate, entities of the United Nations system. Such collaboration and cooperation include the preparation of reports, participation in meetings, briefings, technical and substantive support and sharing information and experience.

28B.5 During the biennium 2006-2007, the Office of Programme Planning, Budget and Accounts will focus on further refining results-based budgeting and results-based management, including improvements in budget presentation. It will also seek to improve financial management and accounting, particularly with respect to simplification of procedures and processes, and better meeting the needs of clients.

28B.6 The specific objectives, expected accomplishments and indicators of achievement of the main organizational units of the Office of Programme Planning, Budget and Accounts in the biennium 2006-2007 are detailed, together with resources, under executive direction and management and the programme of work. The overall framework of the expected accomplishments and indicators of achievement is summarized in table 28B.1.

Table 28B.1 **Framework of expected accomplishments and indicators of achievement by component**

Component	*Number of expected accomplishments*	*Number of indicators of achievement*
A. Executive direction and management	2	2
B. Programme of work		
1. Programme planning and budgeting	4	7
2. Financial services relating to peacekeeping operations	3	5
3. Financial accounting and reporting	3	6
4. Treasury services	2	3
5. Assessment and processing of contributions	2	3
Total	**16**	**26**

28B.7 The overall level of resources for the Office of Programme Planning, Budget and Accounts under the regular budget amounts to $29,090,100 before recosting, reflecting a net decrease of $370,000, or 1.3 per cent, from the revised appropriation for the biennium 2004-2005. The net decrease as shown in table 28B.3 can be summarized as follows:

(a) The decrease of $482,100 under executive direction and management relates to non-post resources, and is the net effect of a decrease resulting from the discontinuation of the prior biennium's non-recurrent resource requirements for consultancy services and an increase mainly to cover the executive direction and management component's share of the costs of centrally provided data-processing services and infrastructure support, including storage area networks, application servers, departmental servers, backup units and desktop connectivity.

(b) A net increase of $112,100 under programme of work results from:

(i) A decrease of $89,000 under programme planning and budgeting, which is the net effect of an increase of $31,400 for posts relating to the proposal for a new P-4 post offset in part by the abolition of one General Service (Other level) post, and a decrease of $120,400 in non-post resources resulting from reduced requirements for maintenance of office automation equipment based on standards and for data-processing services related to the new budget information system, offset in part by an increase relating to the programme planning and budgeting component's share of the costs of centrally provided data-processing services and infrastructure support, including storage area networks, application servers, departmental servers, backup units and desktop connectivity;

(ii) Increases totalling $201,100 in non-post resources under financial accounting and reporting ($169,300), treasury services ($20,100) and assessment and processing of contributions ($11,700), to cover these components' respective share of the costs of centrally provided data-processing services and infrastructure support, including storage area networks, application servers, departmental servers, backup units and desktop connectivity.

28B.8 As in prior years, part of the budget of the Office of Programme Planning, Budget and Accounts will be financed from extrabudgetary resources derived from programme support income received as reimbursement for the services provided by the central administration for extrabudgetary activities, funds and programmes. For the biennium 2006-2007, that component will amount to $16,473,700 in total, or 22.9 per cent of the total budget estimates for the Office. The Office is also financed through the support account for peacekeeping operations.

28B.9 Pursuant to General Assembly resolution 58/269 of 23 December 2003, resources were identified within the available capacity at the Professional level for the conduct of monitoring and evaluation in the Office equivalent to five staff work-months of a P-4/3, or $67,600.

28B.10 The percentage distribution of the total resources of the Office of Programme Planning, Budget and Accounts in 2006-2007 is shown in table 28B.2, and the distribution of resources is summarized in tables 28B.3 and 28B.4.

Table 28B.2 **Percentage distribution of resources by component**

Component	*Regular budget*	*Extrabudgetary*
A. Executive direction and management	7.8	6.7
B. Programme of work		
1. Programme planning and budgeting	31.5	6.5
2. Financial services relating to peacekeeping operations	—	24.0
3. Financial accounting and reporting	50.8	49.9
4. Treasury services	5.9	10.1
5. Assessment and processing of contributions	4.0	2.8
Subtotal B	**92.2**	**93.3**
Total	**100.0**	**100.0**

Table 28B.3 **Resource requirements by component**

(Thousands of United States dollars)

(1) *Regular budget*

Component	*2002-2003 expenditure*	*2004-2005 appropriation*	*Resource growth*		*Total before recosting*	*Recosting*	*2006-2007 estimate*
			Amount	*Percentage*			
A. Executive direction and management	1 910.2	2 736.9	(482.1)	(17.6)	2 254.8	137.3	2 392.1
B. Programme of work							
1. Programme planning and budgeting	8 360.4	9 252.8	(89.0)	(1.0)	9 163.8	554.8	9 718.6
2. Financial services relating to peacekeeping operations[a]	—	—	—	—	—	—	—
3. Financial accounting and reporting	13 458.6	14 618.1	169.3	1.2	14 787.4	1 100.5	15 887.9
4. Treasury services	1 659.1	1 696.9	20.1	1.2	1 717.0	108.3	1 825.3
5. Assessment and processing of contributions	1 039.1	1 155.4	11.7	1.0	1 167.1	85.7	1 252.8
Subtotal	**26 427.4**	**29 460.1**	**(370.0)**	**(1.3)**	**29 090.1**	**1 986.6**	**31 076.7**

[a] Resource requirements financed exclusively by the support account for peacekeeping operations.

(2) *Extrabudgetary*

	2002-2003 expenditure	2004-2005 estimate	2006-2007 estimate
Subtotal	**30 675.7**	**37 846.0**	**40 747.2**
Total (1) and (2)	**57 103.1**	**67 306.1**	**71 823.9**

Table 28B.4 **Post requirements**

	Established regular budget posts		Temporary posts				Total	
			Regular budget		Extrabudgetary[a]			
Category	2004-2005	2006-2007	2004-2005	2006-2007	2004-2005	2006-2007	2004-2005	2006-2007
Professional and above								
ASG	1	1	—	—	—	—	1	1
D-2	2	2	—	—	1	1	3	3
D-1	7	7	—	—	2	2	9	9
P-5	7	7	—	—	10	10	17	17
P-4/3	32	33	—	—	51	54	83	87
P-2/1	9	9	—	—	3	3	12	12
Subtotal	**58**	**59**	**—**	**—**	**67**	**70**	**125**	**129**
General Service category								
Principal level	8	8	—	—	11	11	19	19
Other level	66	65	—	—	71	70	137	135
Subtotal	**74**	**73**	**—**	**—**	**82**	**81**	**156**	**154**
Total	**132**	**132**	**—**	**—**	**149**	**151**	**281**	**283**

[a] Some of the extrabudgetary posts may not be available for the full biennium due to changing requirements of the funds and programmes for services rendered by the United Nations.

A. Executive direction and management

Resource requirements (before recosting): $2,254,800

28B.11 The Assistant Secretary-General, Controller, is responsible for all the activities of the Office of Programme Planning, Budget and Accounts and supervises five organizational entities, namely, the Programme Planning and Budget Division, the Peacekeeping Financing Division, the Accounts Division, the Treasury and the Contributions Service. The Assistant Secretary-General, Controller, administers, as delegated, the Financial Regulations and Rules of the United Nations and ensures compliance therewith; advises the Secretary-General and the Under-Secretary-General for Management on policy matters with respect to the budget, plans, work programmes and finances of the United Nations; represents the Secretary-General in the committees of the General Assembly, the Advisory Committee on Administrative and Budgetary Questions and the Committee for Programme and Coordination in the presentation of the budget outline, the biennial programme budgets, budgets of the International Tribunals, the biennial programme plan, peacekeeping budgets and budget performance reports; represents the Secretary-General in other bodies and

working groups of the United Nations system and in other international forums on budgetary and financial matters; establishes budgetary and accounting policies, procedures and guidelines for the Organization; exercises financial control of the resources of the Organization; and designates and approves of staff members whose functions involve significant financial duties, where this authority is to be exercised by the Controller pursuant to existing rules.

28B.12 The Office of the Assistant Secretary-General, Controller, provides assistance in the overall direction, supervision and management of the Office of Programme Planning, Budget and Accounts; discharges responsibilities as delegated to the Assistant Secretary-General, Controller, under the Financial Regulations and Rules of the United Nations; formulates policy papers, reports and guidelines and provides advice on planning, programming and budgetary and accounting matters; evaluates, reviews and formulates the terms and conditions of the delegation of the Controller's authority and responsibility under the Financial Regulations and Rules of the United Nations and monitors the application thereof; reviews all financial agreements outlining the terms and conditions of voluntary contributions, including contributions in kind and non-reimbursable loans in compliance with the Financial Regulations and Rules of the United Nations; coordinates interdepartmental activities relating to planning, programming and budgetary and accounting matters; and implements, supports and operates the finance components of IMIS. The IMIS Support Unit of the Office of Programme Planning, Budget and Accounts, which is part of the Office of the Controller, provides help desk services for support in the day-to-day functioning of IMIS finance modules; services the needs of all users within the Office of Programme Planning, Budget and Accounts; supports offices away from Headquarters on IMIS finance-related matters; writes and updates relevant desk operating procedures; organizes training on IMIS financial functionalities for users; and provides assistance in resolving IMIS programme and process problems.

Table 28B.5 **Objectives for the biennium, expected accomplishments and indicators of achievement**

Objective of the Organization: To facilitate full implementation of legislative mandates and compliance with United Nations policies and procedures with respect to the management of financial resources of the Organization and management of the programme of work and staff of the Office.

Expected accomplishments of the Secretariat	Indicators of achievement
(a) Sound financial management and control in the Organization	(a) Absence of significant adverse audit observations relating to financial management and control *Performance measures*: 2002-2003: 7 audit recommendations Estimate 2004-2005: no significant adverse audit observations Target 2006-2007: no significant adverse audit observations

(b) The programme of work of the Office of Programme Planning, Budget and Accounts is effectively managed and supported by staff and financial resources	(b) Efficient and effective utilization of resources as indicated by expenditures expressed as a percentage of resources authorized *Performance measures*: 2002-2003: 100 per cent Estimate 2004-2005: 100 per cent Target 2006-2007: 100 per cent

External factors

28B.13 This component is expected to achieve its objective and expected accomplishments on the assumption that all stakeholders fully comply with the Financial Regulations and Rules of the United Nations and the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation and relevant legislative mandates.

Outputs

28B.14 During the biennium 2006-2007, the following outputs will be delivered:

(a) Servicing of intergovernmental/expert bodies (regular budget and extrabudgetary): approximately 20 meetings of the Advisory Committee on Administrative and Budgetary Questions; approximately 10 meetings of the Committee for Programme and Coordination; and approximately 30 formal and informal meetings of the Fifth Committee of the General Assembly;

(b) Other substantive activities (regular budget and extrabudgetary): representation at and convening of meetings with financial officials of the Secretariat, offices away from Headquarters and United Nations funds and programmes on issues of common concern (approximately 4 meetings);

(c) Advisory services (regular budget and extrabudgetary):

(i) Advice on voluntary contribution financial agreements entered into between the United Nations and governments, non-governmental organizations, private contributors, etc. (100);

(ii) Assistance to clients on application of the Financial Regulations and Rules, procedures and policies (60);

(d) Administrative support and finance services (regular budget and extrabudgetary): review and authorization of delegations of authority as they relate to financial matters (20).

Table 28B.6 **Resource requirements**

Category	Resources (thousands of United States dollars) 2004-2005	Resources (thousands of United States dollars) 2006-2007 (before recosting)	Posts 2004-2005	Posts 2006-2007
Regular budget				
Post	2 132.6	2 132.6	8	8
Non-post	604.3	122.2	—	—
Subtotal	**2 736.9**	**2 254.8**	**8**	**8**
Extrabudgetary	2 648.6	2 718.3	7	7
Total	**5 385.5**	**4 973.1**	**15**	**15**

28B.15 Resources amounting to $2,254,800 would provide for the continuation of eight posts (including four posts in the IMIS Support Unit of the Office of Programme Planning, Budget and Accounts), general temporary assistance (for the Office as a whole), overtime, travel of staff, contractual services, general operating expenses, office supplies and office automation equipment in the Office of the Assistant Secretary-General, Controller. A net decrease of $482,100 in non-post resources relates to the discontinuance of the non-recurrent resources provided in the preceding biennium for consultancy to undertake the feasibility study on options for applying cost-accounting techniques drawing on best international practices, offset in part by an increase in resources mainly to cover the share of the Office of the Controller in the costs of centrally provided data-processing services and infrastructure support, including storage area networks, application servers, departmental servers, backup units and desktop connectivity.

B. Programme of work[1]

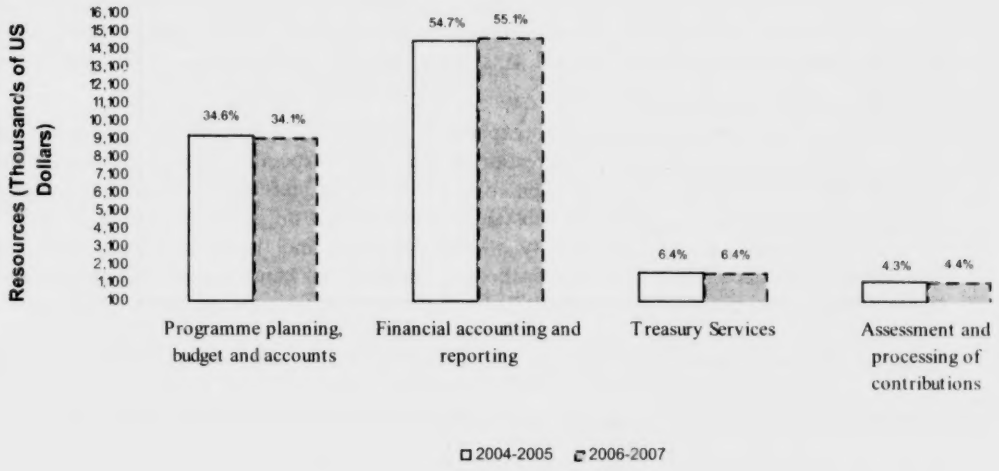
Table 28B.7 **Resource requirements by component**

Component	Resources (thousands of United States dollars) 2004-2005	Resources (thousands of United States dollars) 2006-2007 (before recosting)	Posts 2004-2005	Posts 2006-2007
Regular budget				
1. Programme planning and budgeting	9 252.8	9 163.8	35	35
2. Financial services relating to peacekeeping operations[a]	—	—	—	—
3. Financial accounting and reporting	14 618.1	14 787.4	77	77
4. Treasury services	1 696.9	1 717.0	6	6
5. Assessment and processing of contributions	1 155.4	1 167.1	6	6
Subtotal	**26 723.2**	**26 835.3**	**124**	**124**
Extrabudgetary	35 197.4	38 028.9	142	144
Total	**61 920.6**	**64 864.2**	**266**	**268**

[a] Resource requirements financed exclusively by the support account for peacekeeping operations.

[1] Subprogramme 2 of programme 24 of the biennial programme plan and priorities for the period 2006-2007.

Regular budget resource requirements by component



1. Programme planning and budgeting

Resource requirements (before recosting): $9,163,800

28B.16 Responsibility for programme planning and budgeting rests with the Programme Planning and Budget Division. During the biennium 2006-2007, the Division will continue to perform the following core functions: (a) developing and implementing policies, procedures and methodology and providing guidance, consistent with the Financial Regulations and Rules of the United Nations and the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation on matters relating to the programme budget and extrabudgetary resources; (b) enhancing the integrated process of planning, programming and budgeting in all sectors of the programme budget of the Organization; (c) preparing and presenting to the legislative bodies the Secretary-General's budget outline, biennial programme budgets and budgets of the International Tribunals, the biennial programme plan and revisions thereto, budget performance reports and other reports on budgetary matters, including statements of programme budget implications of new activities, as well as revised or supplementary programme budget proposals; (d) establishing control reporting systems and procedures relating to the implementation of programme budgets, biennial programme plans and extrabudgetary funds to ensure economical and proper use of resources; and (e) providing substantive services on programme and budgetary issues to the Fifth Committee and other main committees of the General Assembly, the Economic and Social Council and its subsidiary bodies, the Advisory Committee on Administrative and Budgetary Questions and the Committee for Programme and Coordination.

28B.17 The Division will also focus on: (a) improving services to clients, both within and outside the Secretariat; (b) keeping under review and ensuring, through training and guidance, the successful and full implementation and evolution of results-based budgeting and results-based management and, in that connection, strengthening cooperation with the Department of Economic and Social Affairs as regards the operation of the Integrated Monitoring and Documentation Information

System; and (c) strengthening cooperation with the Office of Internal Oversight Services on monitoring and evaluation issues in order to enhance the integrated process of planning, budgeting, monitoring and evaluation. Particular attention will be given to improving the current procedures for the administration of extrabudgetary funds, including responding in a more timely manner to client departments and offices. The facilitation of deliberations and decision-making on planning and budgetary issues by the General Assembly and its relevant subsidiary organs will also continue.

28B.18 In recent years, the significantly expanded workload involved in financial planning, implementation and monitoring of the resources allocated to special political missions has placed a considerable strain on the Division's existing Professional staff and pointed to the need for an additional P-4 post to deal with the substantial increase not only in the volume of resources but also in the composition and complexity of such missions and the related budgetary work. This requirement is reflected in the present proposals. On the other hand, investment in technology over the last three years has resulted in continued stabilization of the new budget information system of the Division and faster processing of technical budgetary actions, leading to savings in workload equivalent to one General Service (Other level) post. One such post is proposed for abolition.

Table 28B.8 **Objectives for the biennium, expected accomplishments and indicators of achievement**

Objective of the Organization: To secure the resources required for implementation of the programme budget and to improve management of the utilization of those resources.

Expected accomplishments of the Secretariat	Indicators of achievement
(a) Simplified process for preparing budget proposals	(a) Percentage of surveyed clients indicating that the preparatory process has improved from previous bienniums *Performance measures*: 2002-2003: not available Estimate 2004-2005: 70 per cent Target 2006-2007: 85 per cent
(b) Assisting Member States in taking fully informed decisions on issues relating to the regular budget	(b) (i) Increased number of Member States expressing satisfaction with the quality of budgetary documents *Performance measures*: 2002-2003: not available Estimate 2004-2005: baseline to be determined

	Target 2006-2007: to be determined (ii) 100 per cent compliance with deadlines for the issuance of reports *Performance measures*: Compliance with respect to the proposed programme budget fascicles 2002-2003: 100 per cent Estimate 2004-2005: 100 per cent Target 2006-2007: 100 per cent
(c) Improved timeliness in the submission of information supplementary to planning and budget documents to facilitate decision-making by bodies that review those documents	(c) Percentage of supplementary information provided in writing within an average of 72 hours of the request *Performance measures*: 2002-2003: 100 per cent Estimate 2004-2005: 100 per cent Target 2006-2007: 100 per cent
(d) Improved client services, particularly with regard to the administration of the programme budget and extrabudgetary resources	(d) (i) Decreased percentage by which the final expenditure deviates from the final appropriation *Performance measures*: 2002-2003: 0.11 per cent Estimate 2004-2005: 0.08 per cent Target 2006-2007: 0.05 per cent (ii) Reduction in the turnaround time for the approval of extrabudgetary cost plans and the issuance of extrabudgetary allotments *Performance measures*: 2002-2003: not available Estimate 2004-2005: baseline to be determined Target 2006-2007: to be determined

(iii) Increased percentage of respondents to client surveys who rate the quality of services as at least "good" or "very good"

Performance measures:

2002-2003: 85 per cent

Estimate 2004-2005: 88 per cent

Target 2006-2007: 90 per cent

External factors

28B.19 This component is expected to achieve its objectives and expected accomplishments on the assumption that all stakeholders: (a) fully comply with the Financial Regulations and Rules of the United Nations and the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation and relevant legislative mandates; and (b) provide required information on a timely basis.

Outputs

28B.20 During the biennium 2006-2007, the following outputs will be delivered:

(a) Servicing of intergovernmental/expert bodies (regular budget and extrabudgetary):

(i) Substantive servicing of meetings: approximately 40 formal meetings and 100 informal consultations of the Fifth Committee; approximately 30 formal meetings and 40 informal consultations of the Committee for Programme and Coordination; and approximately 150 meetings of the Advisory Committee on Administrative and Budgetary Questions;

(ii) Parliamentary documentation: approximately 150 reports, including the proposed programme budget outline for the biennium 2008-2009; the proposed programme budget for the biennium 2008-2009 (48 documents in fascicle form); budget performance reports for the biennium 2006-2007 (2); the proposed strategic framework for the period 2008-2009 (28 documents in fascicle form); annual budgets and budget performance reports of the International Tribunals (6); reports to the Fifth Committee (30); statements of programme budget implications/revised estimates (45); and conference room papers and additional information for legislative and advisory bodies as required;

(b) Other services provided (regular budget):

(i) Assistance to the Fifth Committee and the Committee for Programme and Coordination in the preparation of their reports to the General Assembly (approximately 30 reports);

(ii) Workshops and briefings on results-based budgeting, including briefings for Member States (4);

(c) Administrative support and finance services (regular budget and extrabudgetary):

(i) Review of budgetary issues in draft resolutions before legislative bodies and their subsidiary bodies and the preparation of reports on revised estimates and programme budget implications (800);

(ii) Authorizations, guidelines, advice and instructions: allotment advices and staffing table authorizations (2,400); requests to incur unforeseen and extraordinary expenses (45); review and analysis of annual cost plans and other proposals relating to extrabudgetary financing (1,100); monitoring of expenditures; and liaison with donor Governments on the disposition of residual balances in trust funds;

(iii) Maintenance, updating and operation of computerized budget information system and management of data structure, data input and system control; monitoring of actual staff costs and inflation trends and creation of standard salary costs and establishment of budget costing parameters; and maintenance of vacancy statistics and certifying officers' panels.

Table 28B.9 **Resource requirements: programme planning and budgeting**

	Resources (thousands of United States dollars)		*Posts*	
Category	*2004-2005*	*2006-2007 (before recosting)*	*2004-2005*	*2006-2007*
Regular budget				
Post	8 528.2	8 559.6	35	35
Non-post	724.6	604.2	–	–
Subtotal	**9 252.8**	**9 163.8**	**35**	**35**
Extrabudgetary	2 552.8	2 654.8	9	9
Total	**11 805.6**	**11 818.6**	**44**	**44**

28B.21 The resource requirements of $9,163,800 relate to 35 posts, overtime, travel of staff, contractual services, general operating expenses, office supplies and office automation equipment. The increase of $31,400 in post resources relates to the establishment of a new P-4 post of Programme Budget Officer to accommodate the substantial increase in the programme planning and budgeting workload associated with special political missions, offset in part by the abolition of a General Service post as a result of investment in upgrading the Division's budget information system. The decrease of $120,400 in non-post resources is the net result of decreases in data-processing services related to the budget information system and in maintenance of office automation equipment based on standards, offset in part by an increase to cover the Division's share in the costs of centrally provided data-processing services and infrastructure support, including storage area networks, application servers, departmental servers, backup units and desktop connectivity.

2. Financial services relating to peacekeeping operations

Resource requirements: financed exclusively by the support account for peacekeeping operations

28B.22 The Peacekeeping Financing Division is responsible for financial services relating to peacekeeping operations. During the biennium 2006-2007, the Division will continue to: (a) establish policies, procedures and methodology for the estimation of resource requirements and provide policy guidance consistent with the Financial Regulations and Rules on matters relating to the financing of peacekeeping operations; (b) prepare and present to legislative bodies the Secretary-General's annual budgets and performance reports, liquidation budgets and reports on the disposition of assets, annual reports on the support account for peacekeeping operations and other reports

concerning administrative and budgetary aspects of the financing of peacekeeping operations; (c) prepare statements for the Security Council and other reports on activities authorized by Security Council resolutions; (d) monitor the financial status of peacekeeping trust funds and liaise with donor Governments on the disposition of residual balances; (e) monitor the cash-flow status of the special account for each peacekeeping operation; (f) authorize payment to Governments for settlement of certified death and disability, contingent-owned equipment and letters-of-assist claims; (g) determine average monthly troop strengths, establish amounts reimbursable and initiate payments with regard to troop cost reimbursements to Governments, and (h) provide substantive services for the relevant legislative and advisory bodies of the United Nations.

28B.23 The Division will focus on improving the presentation of budgets and performance reports and strengthening the results-based frameworks, as well as making resource requirements and expenditure information more transparent. The Division will also focus on training mission personnel on the Funds Monitoring Tool, which will lead to improved budget implementation rates. Troop liabilities will be reviewed on a quarterly basis and paid on the basis of each mission's cash position. Advice on budgetary policies, methodologies and tools, as well as training and guidance, will be provided to all peacekeeping missions.

Table 28B.10 **Objectives for the biennium expected accomplishments and indicators of achievement**

Objective of the Organization: To secure the required resources for peacekeeping operations and to improve management of the utilization of those resources, with a view to ensuring efficient and effective peacekeeping.

Expected accomplishments of the Secretariat	Indicators of achievement
(a) Simplified processes for preparing budget proposals	(a) Increased percentage of surveyed clients indicating satisfaction with the budget preparation process *Performance measures*: 2002-2003: not available Estimate 2004-2005: 70 per cent Target 2006-2007: 85 per cent
(b) Assisting Member States to take fully informed decisions on issues relating to peacekeeping	(b) (i) Increased number of Member States expressing satisfaction with the quality of peacekeeping budgets and performance and other reports *Performance measures*: 2002-2003: not available Estimate 2004-2005: baseline to be determined Target 2006-2007: to be determined

		(ii) 100 per cent compliance with deadlines for the issuance of reports *Performance measures*: 2002-2003: 75 per cent Estimate 2004-2005: 85 per cent Target 2006-2007: 100 per cent
(c) Increased efficiency and effectiveness of peacekeeping operations	(c)	(i) Liabilities for troops do not exceed three months *Performance measures*: 2002-2003: 4-6 months' liability duration Estimate 2004-2005: 3 months' liability duration Target 2006-2007: 3 months' liability duration (ii) Percentage of responding missions rating the quality of policy and services as "good" or "very good" is equal to or greater than 90 per cent *Performance measures*: 2002-2003: 75 per cent Estimate 2004-2005: 85 per cent Target 2006-2007: 90 per cent

External factors

28B.24 This component is expected to achieve its objective and expected accomplishments on the assumption that: (a) the timing and nature of mandates approved by the Security Council that frame the establishment, extension, expansion and scope and scale of activities of individual peacekeeping operations, and consequently their related resource requirements, follow normal patterns; and (b) all stakeholders fully comply with the Financial Regulations and Rules of the United Nations and the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation, and relevant legislative mandates.

Outputs

28B.25 During the biennium 2006-2007, the following outputs will be delivered:

(a) Servicing of intergovernmental/expert bodies (extrabudgetary):

(i) Substantive servicing of meetings: approximately 30 formal meetings and 60 informal consultations of the Fifth Committee and approximately 100 meetings of the Advisory Committee on Administrative and Budgetary Questions;

(ii) Parliamentary documentation: submission of approximately 100 reports on budget estimates and budget performance reports to the General Assembly on the financing of active missions, status of the financial position of closed missions and final budget performance reports on missions in liquidation, as well as reports on administrative and budgetary aspects of the financing of the United Nations peacekeeping operations, and submission of approximately 30 written presentations to the Advisory Committee on Administrative and Budgetary Questions on specific peacekeeping financing issues;

(b) Administrative support and finance services (extrabudgetary):

(i) Budgetary control: issuance and revision of allotments and staffing table authorizations (70);

(ii) Monitoring of financial status: managed cash position for special accounts of peacekeeping operations and utilization of the peacekeeping reserve fund (24);

(iii) Payment to Governments: payment letters to troop-contributing countries for reimbursement of troop costs (100);

(iv) Liaison with Governments: discussions with representatives of Member States, including troop-contributing countries, on financial matters in respect of peacekeeping operations and liabilities of missions;

(v) Training for approximately 215 mission personnel on the upgraded Funds Monitoring Tool.

Table 28B.11 **Resource requirements: financial services relating to peacekeeping matters**

	Resources (thousands of United States dollars)		*Posts*	
Category	*2004-2005*	*2006-2007 (before recosting)*	*2004-2005*	*2006-2007*
Extrabudgetary	8 904.3	9 764.2	32	34

28B.26 The resource requirements of the Division are financed exclusively from the peacekeeping support account and, for the biennium 2006-2007, reflect proposals to be considered by the General Assembly at its resumed fifty-ninth session in May 2005.

3. Financial accounting and reporting

Resource requirements (before recosting): $14,787,400

28B.27 Responsibility for financial accounting and reporting is entrusted to the Accounts Division. During the biennium 2006-2007, the Accounts Division will continue to perform the following core functions: ensuring proper application of the Financial Regulations and Rules of the United Nations and established procedures relating to accounting matters; recording and maintaining all accounts of the United Nations; recording income and expenditure, reconciling bank accounts and monitoring the expenditures and the financial assets of the Organization; preparing financial statements, including the biennial financial report and the annual peacekeeping financial report,

preparing cash-flow reports for regular budget and peacekeeping operations and preparing other special financial reports as required; processing the payment of salaries and related allowances, other benefits and entitlements to United Nations staff, processing payments to vendors and other contractors and effecting other payments in respect of the financial obligations of the Organization; coordinating, establishing and administering the group health and life insurance programme and property and liability insurance activities of the Organization; providing secretariat services to the Advisory Board on Compensation Claims and the United Nations Claims Board and administering related compensation payments under the relevant rules; implementing, supporting and operating the finance components of IMIS; providing system support for the maintenance of the general accounting system, the payroll system, after-service health insurance, income tax reimbursement processing and support and, together with the Office of Mission Support of the Department of Peacekeeping Operations, of the field accounting and payroll systems used in peacekeeping operations; and performing approving officer functions for Headquarters transactions as delegated by the Controller.

28B.28 In performing the above functions, emphasis will be placed on leveraging technology to improve the processing of financial transactions, client services and the quality and availability of timely and accurate financial information. Efforts to simplify administrative processes will continue.

Table 28B.12 **Objectives for the biennium, expected accomplishments and indicators of achievement**

Objective of the Organization: To further improve the sound and timely accounting of all United Nations transactions, as well as the provision of timely financial information to programme managers and intergovernmental and expert bodies, and the provision of services to clients

Expected accomplishments of the Secretariat	Indicators of achievement
(a) Improved financial statements and financial management reports	(a) (i) Positive audit opinion of the Board of Auditors on financial statements *Performance measures*: 2002-2003: positive audit opinion Estimate 2004-2005: positive audit opinion Target 2006-2007: positive audit opinion (ii) Absence of significant adverse audit findings related to other financial matters *Performance measures*: 2002-2003: 2 audit recommendations Estimate 2004-2005: no significant adverse audit findings Target 2006-2007: no significant adverse audit findings

(b) Timely and accurate financial transactions	(b)	(i) Over 90 per cent of payments are processed by the due date *Performance measures*: The percentage of staff separations, education grant payments, vendor claims and travel claims that are processed within 30 days of receipt of all appropriate documents (each component is weighted equally) 2002-2003: 82 per cent Estimate 2004-2005: 86 per cent Target 2006-2007: 90 per cent (ii) Bank accounts are reconciled within 30 days after month's end *Performance measures*: 2002-2003: 67 per cent of bank accounts Estimate 2004-2005: 77 per cent of bank accounts Target 2006-2007: 85 per cent of bank accounts
(c) Improved client services	(c)	(i) Increased percentage of clients surveyed who rate services at least "good" or "very good" 2002-2003: 51 per cent Estimate 2004-2005: 60 per cent Target 2006-2007: 70 per cent (ii) Improvements in insurance policies *Performance measures*: 2002-2003: 2 improvements Estimate 2004-2005: 2 additional improvements Target 2006-2007: 2 additional improvements

External factors

28B.29 This component is expected to achieve its objectives and expected accomplishments on the assumption that the relevant information is complete and is submitted for processing without delay and that there are no major outages or malfunctions in the computerized systems, including IMIS.

Outputs

28B.30 During the biennium 2006-2007, the following final outputs will be delivered:

(a) Servicing of intergovernmental and expert bodies (regular budget and extrabudgetary): parliamentary documentation: annual and biennial financial reports of the Secretary-General to the General Assembly (3);

(b) Other substantive activities (regular budget and extrabudgetary): technical material: approximately 1,500 financial statements for the regular budget, peacekeeping operations, trust funds, technical cooperation activities, revenue-producing activities, operations established by the Security Council and other special purpose funds;

(c) Administrative support and finance services (regular budget and extrabudgetary):

(i) Financial accounts: review and processing of all receipts, payments, obligations and interoffice vouchers; analysis and reconciliation of accounts, including all receivables, payables, interoffice and bank accounts; review and consolidation of all accounts from field offices; provision of advice on accounting and financial matters and related systems to various offices, including offices away from Headquarters and peacekeeping missions; and development of new cost-effective accounting policies, practices and procedures, as appropriate;

(ii) Payments and disbursements: payment of salaries and related allowances and other benefits; processing of income tax reimbursements; payments to staff upon separation from the Organization; processing of payments to vendors and other contractors; processing of travel claims; and preparation of reports and statements of earnings, including annual United Nations Joint Staff Pension Fund reports and schedules;

(iii) Management and coordination of all life, health, property and liability insurance activities; study of alternative insurance plan structures, as needed, in the light of developments in worldwide insurance markets;

(iv) Systems support: maintenance of charts of accounts and other finance-related reference tables in IMIS; development of ad hoc applications; systems liaison with other Headquarters systems; administration of the tax reimbursement systems; and performance of local area network administration functions;

(v) Provision of secretariat services to the Claims Board and the Advisory Board on Compensation Claims.

Table 28B.13 **Resource requirements: financial accounting and reporting**

	Resources (thousands of United States dollars)		*Posts*	
Category	*2004-2005*	*2006-2007 (before recosting)*	*2004-2005*	*2006-2007*
Regular budget				
Post	13 842.3	13 842.3	77	77
Non-post	775.8	945.1	—	—
Subtotal	**14 618.1**	**14 787.4**	**77**	**77**
Extrabudgetary	18 539.6	20 345.9	83	84
Total	**33 157.7**	**35 133.3**	**160**	**161**

28B.31 The resource requirements of $14,787,400 would provide for the continuation of 77 posts, general temporary assistance, overtime, travel of staff, contractual services, general operating expenses, office supplies and office automation equipment. The increase of $169,300 in non-post resources relates to the Accounts Division's share in the costs of centrally provided data-processing services and infrastructure support including storage area networks, application servers, departmental servers, backup units and desktop connectivity.

4. Treasury services

Resource requirements (before recosting): $1,717,000

28B.32 The Treasury ensures the timely receipt and safe custody of cash and works to improve payment systems in order to streamline processing, reduce costs and enhance security. It also maintains control mechanisms that protect payment systems and assets and ensures that cash concentration benefits are achieved. During the biennium 2006-2007, the focus will be on enhancing the reliability of internal controls, further developing the systems for investment and cash management and increasing the proportion of payments effected through electronic and other secure means.

Table 28B.14 **Objectives for the biennium, expected accomplishments and indicators of achievement**

Objective of the Organization: To ensure the prudent investment of funds and to improve cash-management actions

Expected accomplishments of the Secretariat	**Indicators of achievement**
(a) Continued prudent stewardship of funds	(a) Interest equal to or above the 90-day risk-free rate on pooled balances *Performance measures*: 2002-2003: equal to or above the 90-day risk-free rate Estimate 2004-2005: equal to or above the 90-day risk-free rate

	Target 2006-2007: equal to or above the 90-day risk-free rate
(b) Improved efficiency and security of the payment system, particularly in peacekeeping operations	(b) (i) Maintenance of a loss-free record in safeguarding financial resources *Performance measures*: Cash loss incidences: 2002-2003: no cash loss incidents Estimate 2004-2005: no cash loss incidents Target 2006-2007: no cash loss incidents (ii) Increased percentage of automatic disbursements *Performance measures*: 2002-2003: 75 per cent Estimate 2004-2005: 98 per cent Target 2006-2007: 100 per cent

External factors

28B.33 No external factors affecting performance are expected.

Outputs

28B.34 During the biennium 2006-2007, the following final outputs will be delivered: administrative support and finance services (regular budget and extrabudgetary): bank accounts worldwide administered; cash balances reconciled daily and multi-currency investment accounting properly booked and transmitted to the Accounts Division; cash management and cashier functions assessed and all missions advised on Treasury policies and procedures to safeguard financial resources; cash management system implemented, including the IMIS/Overseas Private Investment Corporation (OPICS)/Society for Worldwide Interbank Financial Telecommunications (SWIFT) interface; cash position and forecast computed as requested; foreign exchange system implemented; multi-currency liquidity maintained to meet peacekeeping missions' cash requirements; secure and loss-free management of the investment funds pool for the United Nations regular budget, peacekeeping operations, general trust funds, technical cooperation funds, the escrow account, the United Nations Environment Programme fund and others for liquidity and maximizing the rate of return; United Nations bank accounts pooled to reduce bank costs and maximize interest returns; and worldwide cross-border payments processed in a timely manner as requested, including the salaries of peacekeeping personnel.

Table 28B.15 **Resource requirements: treasury services**

	Resources (thousands of United States dollars)		*Posts*	
Category	*2004-2005*	*2006-2007 (before recosting)*	*2004-2005*	*2006-2007*
Regular budget				
Post	1 443.8	1 443.8	6	6
Non-post	253.1	273.2	—	—
Subtotal	**1 696.9**	**1 717.0**	**6**	**6**
Extrabudgetary	4 134.9	4 120.0	13	12
Total	**5 831.8**	**5 837.0**	**19**	**18**

28B.35 The resource requirements of $1,717,000 relate to the continuation of six posts and related requirements for non-post items. The increase in resources of $20,100 relates to the Treasury's share of the costs of centrally provided data-processing services and infrastructure support, including storage area networks, application servers, departmental servers, backup units and desktop connectivity.

5. Assessment and processing of contributions

Resource requirements (before recosting): $1,167,100

28B.36 Responsibility for the assessment and processing of contributions rests with the Contributions Service, which facilitates the work of the Fifth Committee, the Committee on Contributions and other bodies on questions related to the scale of assessments, contributions to the regular budget and budgets of peacekeeping operations and other contributions issues, including the application of Article 19 of the Charter and the financial situation of the United Nations, through the preparation of documentation and the provision of technical and substantive support in cooperation with the Statistics Division of the Department of Economic and Social Affairs. In this connection, the General Assembly is due to adopt a scale of assessments for 2007-2009 in 2006. The Contributions Service also provides support to pledging conferences for development activities. It strives to improve the timeliness and accuracy of the processing of assessed and voluntary contributions and of information on the status of contributions, a key component of the Organization's cash flow.

Table 28B.16 **Objectives for the biennium, expected accomplishments and indicators of achievement**

Objective of the Organization: To secure financing for the expenses of the Organization pursuant to Article 17 of the Charter of the United Nations and to improve the application of related decisions.

Expected accomplishments of the Secretariat	**Indicators of achievement**
(a) Improved timeliness of documentation required for informed decision-making by Member States on issues related to the scale of assessments, the basis for financing peacekeeping activities and the status of contributions	(a) (i) Submission of monthly reports on the status of contributions by the end of the following month

	Performance measures: 2002-2003: 100 per cent Estimate 2004-2005: 100 per cent Target 2006-2007: 100 per cent
	(ii) Maintenance of or increase in the percentage of pre-session documentation relating to the scale of assessments and the basis of financing of peacekeeping operations submitted by the documentation deadlines *Performance measures*: 2002-2003: 63 per cent Estimate 2004-2005: 75 per cent Target 2006-2007: 80 per cent
(b) Timely assessments on Member States based on decisions of the General Assembly	(b) Issuance of notifications of assessments within 30 days of the relevant decisions of intergovernmental bodies, as specified in financial rule 103.1 *Performance measures*: 2002-2003: 95 per cent Estimate 2004-2005: 100 per cent Target 2006-2007: 100 per cent

External factors

28B.37 The Contributions Service is expected to achieve its objectives and expected accomplishments on the assumption that the timing and nature of requests from and decisions by the General Assembly and the Committee on Contributions follow normal patterns.

Outputs

28B.38 During the biennium 2006-2007, the following final outputs will be delivered:

(a) Servicing of intergovernmental and expert bodies (regular budget):

(i) Substantive servicing of meetings: approximately 10 formal meetings and 25 informal consultations of the Fifth Committee and approximately 50 formal meetings and 8 informal consultations of the Committee on Contributions;

(ii) Parliamentary documentation: approximately 3 reports to the Fifth Committee and 30 reports to the Committee on Contributions; approximately 110 conference room papers for the Fifth Committee and the Committee on Contributions; ad hoc reports on scale of assessments, financing of peacekeeping operations, application of Article 19, measures

to encourage payment of assessed contributions and related issues on request; and reports on the financial situation of the United Nations (4);

(b) Other substantive activities (regular budget and extrabudgetary):

(i) Provision of information for the preparation of annual pledging conferences for development activities and assistance in recording and tabulating the results, including necessary follow-up;

(ii) Technical material (recurrent): monthly reports on the status of contributions (24);

(iii) Technical material (non-recurrent): assessment documents, including those for the Working Capital Fund, regular budget, peacekeeping operations and International Tribunals (24);

(iv) Other material: ad hoc information about the scale of assessments, peacekeeping financing, the status of contributions and related issues, on request, to Member States, organizations of the United Nations system, other international organizations, non-governmental organizations and the public (2);

(c) Administrative support and finance services (regular budget and extrabudgetary): issuance of assessments for the Working Capital Fund, the regular budget, peacekeeping operations, the International Tribunals and extrabudgetary/treaty activities (approximately 140 assessments during the biennium); and provision of information for and responses to the Board of Auditors on issues related to contributions (annually).

Table 28B.17 **Resource requirements: assessment and processing of contributions**

	Resources (thousands of United States dollars)		*Posts*	
Category	*2004-2005*	*2006-2007 (before recosting)*	*2004-2005*	*2006-2007*
Regular budget				
Post	1 114.9	1 114.9	6	6
Non-post	40.5	52.2	—	—
Subtotal	**1 155.4**	**1 167.1**	**6**	**6**
Extrabudgetary	1 066.4	1 144.0	5	5
Total	**2 221.8**	**2 311.1**	**11**	**11**

28B.39 The resource requirements of $1,167,100 would provide for the continuation of six posts and related requirements for non-post items. The increase of $11,700 relates to the share of the Contributions Service in the costs of centrally provided data-processing services and infrastructure support, including storage area networks, application servers, departmental servers, backup units and desktop connectivity.

Table 28B.18 **Summary of follow-up action taken to implement relevant recommendations of the oversight bodies**

Brief description of the recommendation	*Action taken to implement the recommendation*
Board of Auditors: United Nations (A/59/5 (vol. I), chap. II)	
The Board recommended that the Office of Programme Planning, Budget and Accounts, in conjunction with the United Nations Development Programme (UNDP), reconcile the discrepancy of $22.43 million and make the necessary adjustments in the accounts to reflect the accurate balance of payables due to funding source in the financial statements (paras. 15 (a) and 36).	The Office of Programme Planning, Budget and Accounts and UNDP are working closely on this reconciliation. However, it is a detailed and time-consuming process, complicated by the absence of complete information and related documentation. The approach being taken is based on a year-by-year comparison and analysis of transactions processed by both organizations. With respect to inter-office vouchers, work to date has been mainly concentrated on the years from 1998 to 2003 and shows that the total difference in these years was about $15 million. Of this amount, $6 million is due to timing and has since been processed by the United Nations in 2004. Transactions comprising the remaining $9 million have been identified for further investigation, and subsequent processing by the United Nations ($5 million) and UNDP ($4 million). It should be noted that these figures may change as the work proceeds and further investigations are completed. Work on the other line items in the reconciliation is also proceeding concurrently. To date, UNDP has agreed to record adjustments to the implementing agencies line of about $2.5 million and to the executing agencies line of about $3 million. From the above, it is evident that significant progress has been made during 2004 and 2005 to date. However, given the ongoing nature of the work, its scope and complexity, it is not possible to predict specific outcomes at this time or to quantify the differences that would remain when both organizations eventually close their accounts for the first year of the biennium 2004-2005.

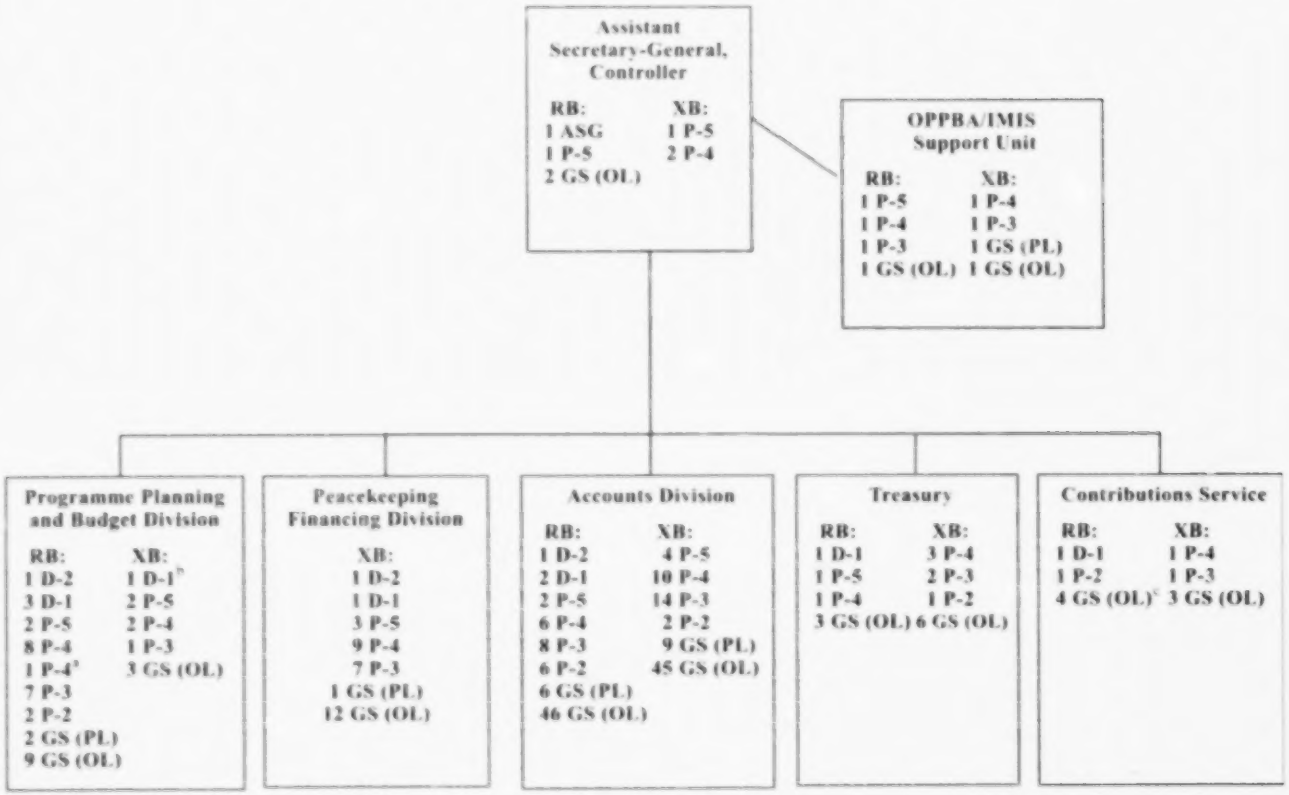
Brief description of the recommendation	*Action taken to implement the recommendation*
The Board reiterated its previous recommendation that the Administration take action to review those trust funds whose purposes have long been attained in order to identify and close those that are inactive and no longer required (paras. 15 (c) and 52).	Trust funds continue to be reviewed with a view to their consolidation or closure. In addition to action being taken on a case-by-case basis, work is ongoing to consolidate and reduce the number of trust funds.
The Board recommended that the Administration resubmit to the General Assembly its proposal for the establishment of a reserve to cover appropriately additional expenditures related to such factors as exchange rate variations and inflation (paras. 15 (k) and 175).	Implementation of this recommendation will be addressed in the context of the proposed programme budget for 2006-2007.
The Board recommended that the Administration (a) continue exploring enhancements in implementing the results-based budgeting methodology, and (b) consider, based on the cost-benefit analysis, utilizing the capability of both IMIS and the Integrated Monitoring and Documentation Information System to link the financial and technical aspects of the programmes where appropriate, and to provide timely information on the utilization of resources in achieving the desired results (paras. 15 (l) and 185).	Enhancements continue to be explored in implementing results-based budgeting. The review of requirements for the integration of programmatic and financial information in the Integrated Monitoring and Documentation Information System has been ongoing in consultation with partners and stakeholders in the Secretariat. However, this review has been superseded by developments that require a broader focus on options for applying cost-accounting techniques drawing on best international practices. Under the terms of paragraph 349 of its report (A/59/16), the Committee for Programme and Coordination recommended the development of improved tools for identifying the cost of activities and outputs, with related reporting to the General Assembly at its sixtieth session on options for applying cost-accounting techniques drawing on best international practices. Further action will be taken once the above-mentioned review is carried out and the results have been reported to the General Assembly.
The Board recommended that Treasury consider the costs and benefits of adopting a comprehensive cash-flow forecasting system, with a view to further enhancing its portfolio performance (paras. 15 (m) and 204).	The recommendation has been duly noted. However, the Administration is of the view that the cash management system currently in place serves the Organization well, and that therefore a more elaborate forecasting system for further enhancement of its portfolio performance, which compares favourably with industry-wide benchmarks, is not required at the present juncture. It is considered that the additional cost of developing and maintaining such a system is not warranted.

Brief description of the recommendation	*Action taken to implement the recommendation*
	There has been a clear pattern that outflows for the United Nations, such as payroll, are much more predictable than the inflows, over which the United Nations has limited control. The combination of these factors makes a traditional cash-flow forecast inaccurate from the moment it is created and, therefore, an unreliable cash management tool. To manage this uncertainty, Treasury maintains expenditure (primarily payroll) forecasts and matches investments when market conditions and cash balances permit. Investment Pooling has permitted Treasury to limit very short-term deposits to approximately 20-25 per cent of investments, allowing the remainder to be held in marketable fixed income securities. Such securities can be liquidated within seven days at market prices, if need be. Treasury is satisfied that the focus on matching the more predictable outflows provides results commensurate with the liquidity needs of the Organization.
The Board recommended that the United Nations (a) review its treasury operations at offices away from Headquarters, and (b) promptly establish formal guidelines, procedures and investment committees in liaison with the concerned funds and programmes (paras. 15 (n) and 211).	A consultant is currently reviewing the investment operations at the United Nations Office at Geneva. Following the receipt of this review, the Treasurer will conduct an operational assessment based on investment requirements, as well as the need for emergency preparedness. The guiding principles and policies of investments of the United Nations constitute the policy applicable to all United Nations offices holding responsibility for investments.
The Board encouraged the Administration to implement a fully comprehensive set of posting rules (para. 137).	The Administration intends to implement a comprehensive set of posting rules relating to posting of future period transactions. The time frame for implementation would depend, inter alia, on other required projects and the resources available for undertaking the various enhancements to IMIS. It should be noted that at the moment, the limited number of transactions for future period are carefully reviewed to ensure correctness pending development of future period posting rules.

Brief description of the recommendation	*Action taken to implement the recommendation*
The Board recommended that the Administration continue to develop and conduct training programmes that would address issues involved in the implementation of results-based budgeting (para. 188).	Training of financial personnel is carried out on an ongoing basis. A series of workshops was carried out in the context of preparing the strategic framework for 2006-2007. Other workshops have been held to address specific training needs of departments/offices, including the International Court of Justice, the International Civil Service Commission and special political missions.
The Board recommended that the Administration review its system of allocating resources (para. 196).	The procedures for allocation of resources are set out in General Assembly resolution 41/213 of 19 December 1986 and the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation. Under the terms of resolution 41/213, an outline is submitted to the General Assembly containing an indication of a preliminary estimate of resources to accommodate the proposed programme of activities during the biennium, priorities, real growth and the size of the contingency fund. On the basis of the decision by the General Assembly, the proposed programme budget is prepared. The resolution of the General Assembly with regard to the biennium 2006-2007 is 59/278. Accordingly, the proposed programme budget for 2006-2007 will reflect the allocation of resources for the coming biennium. Consistent with established practice, heads of departments will be afforded flexibility to allocate resources within programmes and within the overall level of resources approved, so as to ensure the implementation of mandated activities taking into account developments during the course of the biennium.
The Board reiterated its recommendation that the United Nations develop suitable data-processing tools for cash management (para. 208).	Treasury is in the process of implementing a cash management tool that will facilitate in forecasting cash outflows in an accurate and timely manner. The first phase of the project, interface among SWIFT/OPICs and IMIS, has been successfully implemented. The system has been used for execution of payments from foreign bank accounts, in addition to some local bank accounts. The interface has been in

Brief description of the recommendation	*Action taken to implement the recommendation*
	production since January 2005 and has eliminated the task of re-entering disbursement data. The second phase of the project, which will import data from IMIS to the OPICS system, will assist in the forecast of cash requirements. The system will link the fund accounts in OPICS to their corresponding investment accounts and will provide fund-sufficiency data for cash disbursements and transfers.
Board of Auditors: United Nations peacekeeping operations (A/59/5 (vol. II), chap. II)	
The Board recommended that the Administration ensure that proper bank and cash management processes are in place (para. 71).	The Administration continues to take action to ensure that proper banking services for peacekeeping operations are in place. The request to close the United Nations Interim Administration Mission in Kosovo account maintained with the Banking and Payments Authority of Kosovo was issued on 2 December 2004. The banking services agreement between the United Nations and the Standard Chartered Bank signed on 8 October 2004 provides banking services for the United Nations Operation in Côte d'Ivoire. The United Nations Mission in Ethiopia and Eritrea has confirmed that all bank reconciliation statements, with the exception of the United States dollar account with the Commercial Bank of Eritrea, were performed in a timely manner and made available to the auditors. Concerning the account with the Commercial Bank of Eritrea, the Mission explained that since it has no access to the network of the bank, the practice is that the bank statements are received at the end of the following month. This practice accounts for the one-month delay in the preparation of the bank reconciliation statements. The United Nations Mission for the Referendum in Western Sahara has segregated the duties over the functions of receipt, custody and recording of cash transactions to facilitate the operation of sound internal checks. The United Nations Interim Force in Lebanon has improved physical controls and security measures at the cashier's office. Ad hoc cash counts, which are now part of the duties and responsibilities of the Deputy Chief Finance Officer, are performed periodically.

Office of Programme Planning, Budget and Accounts
Organizational structure and post distribution for the biennium 2006-2007


Assistant Secretary-General, Controller
RB: 1 ASG, 1 P-5, 2 GS (OL)
XB: 1 P-5, 2 P-4
OPPBA/IMIS Support Unit
RB: 1 P-5, 1 P-4, 1 P-3, 1 GS (OL)
XB: 1 P-4, 1 P-3, 1 GS (PL), 1 GS (OL)
Programme Planning and Budget Division
RB: 1 D-2, 3 D-1, 2 P-5, 8 P-4, 1 P-4[a], 7 P-3, 2 P-2, 2 GS (PL), 9 GS (OL)
XB: 1 D-1[b], 2 P-5, 2 P-4, 1 P-3, 3 GS (OL)
Peacekeeping Financing Division
XB: 1 D-2, 1 D-1, 3 P-5, 9 P-4, 7 P-3, 1 GS (PL), 12 GS (OL)
Accounts Division
RB: 1 D-2, 2 D-1, 2 P-5, 6 P-4, 8 P-3, 6 P-2, 6 GS (PL), 46 GS (OL)
XB: 4 P-5, 10 P-4, 14 P-3, 2 P-2, 9 GS (PL), 45 GS (OL)
Treasury
RB: 1 D-1, 1 P-5, 1 P-4, 3 GS (OL)
XB: 3 P-4, 2 P-3, 1 P-2, 6 GS (OL)
Contributions Service
RB: 1 D-1, 1 P-2, 4 GS (OL)[c]
XB: 1 P-4, 1 P-3, 3 GS (OL)

Abbreviations: RB, regular budget; XB, extrabudgetary; GS (PL), General Service (Principal level); GS (OL), General Service (Other level).

[a] New post.

[b] Outposted to the Department of Economic and Social Affairs for financial matters related to technical cooperation.

[c] One General Service (Other level) post outposted to the Department of Economic and Social Affairs for statistical support provided to the Contributions Service in the substantive servicing of the Committee on Contributions and the Fifth Committee.